



Wyoming Lender Alert

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August 2003

Steven Despain, District Director

Making a Difference for Small Business in Wyoming



UPCOMING EVENTS

- August 5th – Women's Roundtable Meeting
Jackson
- August 6th – Women's Roundtable Meeting
Casper
- August 7th – Small Business Night at the
Rockies – Casper
- August 12th – Women's Roundtable Meeting
Sheridan/Lyman/Bridger Valley
- August 19th – Women's Roundtable Meeting
Cody
- August 21st – Women's Roundtable Meeting
Powell
- August 26th – WNET Conference Call
- August 27th – Women's Roundtable Meeting
Evanston

WYOMING LOAN VOLUME TO DATE

From October 2002 through July 25, 2003, the Small Business Administration (SBA) has guaranteed \$31,204,700 in small business loans to an estimated 150 small businesses throughout Wyoming.

PLP and PCLP Policy and Processing Requirements for SBA Form 912

A loan may now be processed using PLP or PCLP procedures when any "Character Question" on an SBA Form 912, Statement of Personal History, is answered "Yes" provided the 912 has been cleared by the SBA District or Branch office prior to submission to the PLP Processing Center.

New Policy Language

Replace the language on page 342 of SOP 50 10, Subpart D, Chapter 3, "*Preferred Lenders Program*", paragraph 7.a. (4)(e) with the following:

SBA Form 912. An application for guaranty involving an affirmative response to any "Character Question" (question 6, 7, or 8) on SBA Form 912, the Statement of Personal History, may be processed using PLP Procedures after the lender has requested and

received written clearance of the character issue(s) from the district or branch office serving the territory where the business applicant is located.

To request clearance, the lender must submit a brief description of the business along with SBA Form 912 and required attachments including fingerprint cards if there was a felony or if requested by the district/branch office. When providing clearance, the district/branch office should send the lender a letter using the boilerplate titled "Sample Character Clearance Letter for PLP Loan Applications," found in Appendix 12. The lender must attach a copy of the clearance letter to the individual's 912 and place it in the applicant's file.

Replace the language on page 151 of Subpart A, Chapter 6, Paragraph 4.d.(6)(d) with the following:

- (d) The applications must not be processed under CLP or ALP procedures. For processing under LowDoc procedures, see Appendix 5. For PLP, see page 342, Subpart D, Chapter 3, Preferred Lenders Program Paragraph, 7.a.(4)(e).

PCLP CDCs must follow the same procedures as PLP lenders in processing applications with affirmative responses to any "Character Question" on SBA Form 912. Please contact the Wyoming District Office 307-261-6505 if you have any questions.

SHARP INCREASE IN SBA-BACKED LOANS FUELS SMALL BUSINESS JOB GROWTH THROUGH 2003's THIRD QUARTER



The number of small businesses receiving loans backed by the U.S. Small Business Administration in the first three quarters of FY 2003 is up by almost 36 percent over the same date a year ago, with sharp increases in loans to minorities, women and veterans. Based on

statements made by the borrowers, the loans made so far in FY 2003 have financed the creation or retention of more than 411,000 jobs nation wide.

“These sustained increases in SBA loan-making this year shows our commitment to meeting the unique financing needs of American small businesses and validates our approach to make that assistance more readily available to them,” said SBA Administrator Hector V. Barreto. “It proves that our outreach efforts have been highly effective, and it shows how these loans are working to build the economy through job creation.”

The overall increase in loan approvals under the agency's two major loan programs, the 7(a) General Business Loan Guaranty program and the Certified Development Company (or 504) loan program, came to 35.7 percent, reflecting an increase from 38,648 loans during the first three quarters of FY 2002 to 52,435 loans during the same period this year. Strong increases were registered in both programs: 7(a) loans were up by 37 percent and 504 loans rose by 22 percent. Overall, loans to small businesses owned by minorities increased by 46 percent, from 9,715 in the first three quarters of 2002 to 14,171 in the same period this year. Within that total, loans to African Americans increased by 88 percent, loans to Hispanic Americans increased by 44 percent, loans to Asian Americans increased by 34 percent and loans to Native Americans increased by 27 percent. Loan approvals for women small business owners increased by 40 percent, to 10,668 loans, and loans to veteran-owned small businesses rose by 22 percent, to 4,958 loans. The total dollar amount approved under the two programs during the period rose by just 2 percent, to \$10 billion. The dollar value of loans under the 7(a) program alone declined by 3 percent, to \$7.85 billion. The average loan size in the 7(a) program fell to \$164,600 in the first nine months of the year, from \$232,075 in the same period a year ago. The average 504 loan rose from \$443,945 to \$458,960.

A substantial part of the increase in smaller loans is due to significant efforts by the agency to make it easier and faster for lenders to approve loans under \$250,000, thus making smaller commercial loans more widely available.

Check out the Wyoming SBA Web Site!

The following pages have been updated on our Wyoming Web Site:

<http://www.sba.gov/wy/> -- New things added – Wyoming Personnel in center of page – SB Week 2003 Winners

<http://www.sba.gov/wy/NewsReleases.html> -- Small Business Week Winners added to the list of Press Releases

<http://www.sba.gov/wy/wyfinancing.html> -- July Lender Alert has been posted

<http://www.sba.gov/wy/SBNewsRelease.html> -- New Page -- contains all Press Releases for Small Business Week in PDF, Text & HTML format



www.sba.gov/wy

Also, Click on Startup Kit on this menu bar and you will find business startup information for Wyoming!

The very bottom button, Frequent Questions will answer questions we are most often asked! And it has been customized for Wyoming and will take you to sites that will assist you in Wyoming's business environment!

CHECK IT OUT!!

COME OUT AND JOIN US!

Thanks to the generosity of Community First Bank, First Interstate Bank, Hilltop Bank, Wells Fargo and American National Bank, there will be a celebration of the SBA's 50th anniversary on August 7th at a Casper Rockies home game.

If you have a small business client you would like us to invite, please contact, Deb Farris, 307-261-6509 and she'll make sure an invitation and tickets are available!

